



Berry Road Food Co-op Purchasing Policy

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1 Introduction

Berry Road Food Co-op believes that a transparent and detailed Purchasing Policy is an important way of maintaining Member and community engagement. This policy is intended to clarify how purchasing decisions are made at the Co-op, and how Members can influence those decisions or have input on future changes to this Policy.

2 Definitions

2.1 Co-op	Berry Road Food Cooperative, Inc.
2.2 Policy	The Berry Road Food Co-op Purchasing Policy
2.3 Product, Products	Food or household goods sold at the Co-op
2.4 Income Accessible Products	Products sold at the Co-op to specifically ensure, in accordance with our community obligations and cooperative values, that community members living on fixed or low incomes are able to shop for a Basic Basket of items at prices within at most 15% of regular non-sale prices for similar products at nearby budget grocery stores
2.5 Basic Basket	A list of items, maintained with Member input, and considered necessary for maintaining a single family (??? Seeking appropriate terminology from SCHC nutritionist) household
2.6 Score	The score a product has based on the Scoring Matrix
2.7 Scoring Matrix	A matrix that assigns a score to a product based on its locality, agricultural or production methods, organizational structure and values, health positive aspects, and health-negative aspects
2.8 Greater Toronto Area	Toronto, Durham, Halton, Peel, and York
2.9 South Central Ontario	Welland, Lincoln, Wentworth, Brandt, Waterloo, Wellington, Halton, Peel, Dufferin, Grey, York, Simcoe, Ontario, Durham, Muskoka, Haliburton, Peterborough, and Nothumberland Counties
2.10 Recognised Organic	Certifications and certificates that are formally recognized by the Purchasing Committee as indicating organic processes
2.11 Low/No Spray	Documented production methods that minimize the use of pesticides on fruit and produce
2.12 Responsibly Produced	Documented efforts to use agricultural and production methods that are seen as more responsible than those used by conventional industry
2.13 Produced Internally	Products that are produced at the Co-op
2.14 Small Batch/Known Producer	Producers with whom the Co-op has a direct connection (e.g. local farmers) or who use non-conventional small-batch processes
2.15 Local or Quality Ingredients	Ingredients sourced in South Central Ontario, or that are specifically chosen for their unique qualities (e.g. wild blueberries vs conventional



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- blueberries)
- 2.16 No Plastic** Packaging that uses glass or paper where other products use plastic
- 2.17 Member/Social Employer** Producers who are Members of the Co-op or who operate in a way that improves the social condition of others, such as by offering supportive employment opportunities
- 2.18 Social Responsibility Concerns** Member-raised ethical concerns about a specific producer
- 2.19 Double Shelving** An innovative part of BRFC's business model whereby we will be shelving both natural, organic and local Products that tend to be higher priced as well as the best-scoring Income Accessible Products for all product categories included in the Basic Basket
- 2.20 Shelving Exception** If Members request, for an identified reason, a specific product that otherwise would not be provided on the Co-op's shelves because of a low Score, the product may be provided with an exception
- 2.21 Margin** The amount by which the cost of Products must be marked up to cover the expenses of the Co-op's Grocery operations, set by Co-op management with the advice of the Finance Committee
- 2.22 Revenue** The amount of revenue a Product generates for the Co-op: specifically the Margin per unit of Product times the number of units sold in a time period; low-margin Products may generate more Revenue for the Co-op than high-margin Products if many more units of the former are sold than the latter
- 2.23 Price Points** An identified number of price ranges for an identified product category
- 2.24 Selection, Select** The process whereby a Product is chosen to be purchased and sold at the Co-op
- 2.25 Unselection, Unselect** The process whereby a Product that is under-producing Revenue is chosen for removal from the Co-op's shelves
- 2.26 Product Request** A Request that a specific Product be carried by the Co-op, which may be granted or denied in accordance with this Policy
- 2.27 Shelving Exception Request** A request that a Product for which a Product Request was denied be considered for a Shelving Exception
- 2.28 Shelving Discussion** A Member-based discussion in which support for or opposition to a Shelving Exception Request is expressed, and the outcome of which determines whether or not a Shelving Exception is granted
- 2.29 Message Boards** Message Boards includes at least one physical message board prominently visible in the store, as well as any of the Co-op's social media accounts that accept "postings."
- 2.30 Board** The Co-op's board of directors, a multistakeholder board including Members from each stakeholder group: Purchaser Members, Worker Members, and Producer and Community Partner Members
- 2.31 Purchasing Committee** The Co-op's Board-appointed Purchasing Committee responsible for



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development and maintenance of the Policy and for oversight of Purchasing activities at the Co-op

3 Purpose

The purpose of this Policy is to provide direction and guidance to people making food and goods purchasing decisions at the Co-op, and to clarify how Co-op Members can have input into those decisions.

Although this Policy attempts to clarify purchasing decisions for those responsible for operating the Co-op, we recognize that the mutual trust and respect of all the Co-op's stakeholder groups requires a continual and conscious effort to revisit and improve the Co-op's policy framework. Members of all stakeholder groups are encouraged to express concerns or suggestions for improvement to the Purchasing Committee, and to attend meetings of the Committee to participate in discussion on those topics.

4 Scope

This Policy applies to the purchasing of all food and products for resale at the Co-op. This Policy does not apply to ingredients or equipment used in the Co-op's community kitchen, either for workshops and community education activities, or for food production for products to be sold on the Co-op's shelves. Internally produced products must be scored and considered as Products under this Policy before being sold on the Co-op's shelves. Their ingredients and production methods will be assessed as for any other Product. This Policy also does not apply to equipment or supplies procured for the office or to support our administration or community education activities; such items are covered under the Procurement Policy.

5 Community Inclusivity and Double Shelving

The Co-op's primary mission is to be a one-stop quality grocery store that is open to all. We will be carrying healthy and local Products at a range of prices. As a cooperative, the Co-op recognizes the value of the Cooperative Principle of open and voluntary membership. The Co-op also recognizes that membership isn't really open if it is not meaningfully beneficial to everyone in the community. In addition, the Co-op received capital funding support to help pay for our store and community kitchen. Attached to that funding is a requirement that the Co-op maintain a line of staple products that are priced at a level that is affordable even for those living on a fixed income. To meet this obligation and to ensure that membership in the Co-op is meaningful for everyone in our community, the Co-op will be maintaining a "double-shelving" methodology whereby we will ensure that our shelves will include a Basic Basket of staple Income Accessible Products. This is called double shelving because the process of "shelving" products (choosing products to stock our shelves with) will be "double" in that some products will meet one set of criteria and other products will meet slightly different criteria. The bulk of this Policy describes these two sets of criteria and the processes by which they are transparently and openly applied to our Purchasing decisions.

6 Price Points

The Co-op recognizes the need to provide quality Products at a range of prices. We will document the Price Points we are using in each department, and provide the Price Points to the Purchasing Committee annually for



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review and input. When considering new Products we will determine which Price Point a Product fits in, and only compare Scores between similar Products with the same Price Point.

7 Scoring Matrix

Score	Locality	Production		Packaging	Enterprise or Producer type	Unhealth Score	Health Score
		Produce	Non-Produce				
1	Greater Toronto Area	Recognised organic	Produced internally	None	Member, Social employer	Score 1	Score 1
2	South Central Ontario	N/A*	Small batch or known producer	Compostible or reusable	Cooperative	Score 2	Score 2
3	Ontario	Low/no-spray	Recognised Organic Ingredients	no plastic	Family Business or farm producer	Score 3	Score 3
4	Canada	Responsibly produced	Local or Quality Ingredients	Recycleable	Corporate	Score 4	Score 4
5	International	Conventional	Conventional	Non-recyclable	Social Responsibility Concerns	Score 5	Score 5

7.1 Score

The score to associate with the Product being assessed, by determining which category a Product fits into in each column, and adding up the corresponding scores for all columns to determine an overall score. The lower the score the more closely the Product meets our requirements.

7.2 Locality

How local is the product. Some Products will not be available close by, so in those product categories the best score possible will be less favourable than in other product categories.

7.3 Production

Produce production is different than prepared or processed foods, thus Products will be scored in one production column or the other. For produce, N/A means that the way the produce is grown makes production methods not applicable. For example wild harvested products. The purpose of the production Score is both to capture the quality of Products, but also to capture how easy it is to find information or ask questions about Products. This is why Products produced internally score best: we know the most about how they are produced, and Members can ask questions about ingredients and production methods in greatest detail.

The Purchasing Committee on behalf of our Members will investigate and recognize various certification or other documentable processes as Recognised Organic. For example an Organic certification from a far-away jurisdiction may not mean the same level of organic principles have been used as it would for an Ontario Organic Certification. It is the Purchasing Committee's role to make a determination of the value of specific certifications or documented processes for indicating adherence to organic practices. Members are encouraged to bring forward to the Purchasing Committee any concerns that they have about the recognition of organic methods.

7.4 Packaging

The Co-op recognizes the community cost of excessive packaging by including packaging in our Scoring Matrix.



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7.5 Enterprise or Producer Type

The Co-op recognizes the Cooperative Principles of Member Economic Participation, and Education Training and Information. Consequently we score Producers who have a social training or supportive employment mission highest because these maximize economic participation and education opportunities. In accordance with the Cooperative Principle of Cooperation Among Cooperatives, the Co-op also recognises Producers who are Cooperatives in our scoring. It is not the Co-op's job to police the values of our Producers, however Members occasionally come to feel strongly that the way an individual Producer operates raises social responsibility concerns. Issues such as a documented record of treating workers poorly, or activities that raise grave environmental concerns sometimes generate enough Member concern that it is appropriate for the Purchasing Committee to document and score that Producer's Products accordingly. (??? Consider moving this to a separate per-item open process)

7.6 Unhealth Score

Products that contain ingredients or use production methods for which there is evidence of associated health risks (e.g. BPA) score worst on this scale. Ingredients or production methods that concern Members but for which there is as yet no clear evidence of associated health risks score in the middle of this scale. The Purchasing Committee will maintain and regularly review a publically available list of unhealthy ingredients and production methods and their associated Unhealth Scores. (??? Add external references from nutritionists)

7.7 Health Score

Products that contain ingredients or use production methods for which there is evidence of associated health benefits (e.g. antioxidants) score best on this scale. Ingredients or production methods that Members think of as healthy but for which there is as yet no clear evidence of associated health benefits (e.g. bioflavonoids) score in the middle of this scale. The Purchasing Committee will maintain and regularly review a publically available list of healthy ingredients and production methods and their associated Health Scores.

8 Product Selection

8.1 Price Point

Each Product under consideration for Selection is placed into a Price Point category for the appropriate department. If the Product doesn't fit into one of the available Price Points for the department, a Price Point revision can be discussed and approved by the Purchasing Committee. Otherwise the Product will need a Shelving Exception prior to being selected.

8.2 Scoring

Once a Product under consideration is assigned to a Price Point, it is Scored and its Score is compared to the Scores of other similar products in the same Price Point. Scores are also prepared for similar conventional products.

8.3 Selection

Products that Score in the best one third of the scoring range can be Selected for purchasing and shelving.

8.4 Consideration for Unselection

From time to time staff purchasers may wish to reduce the number of Products available in a particular category. The primary consideration for Unselection is product revenue, taking into account both sales (limited



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popularity) and Margin. Products that produce revenue in the bottom third of the range for their Product type may be considered for Unselection. Of those Products, those which Score worst will be considered first.

8.5 Reporting and Unselection

Products being considered for Unselection will be reported in the Co-op's newsletter and posted on the Co-op's Message Boards. One month after reporting the potential Unselection, if Members have not indicated support for the Product by making a Product Request, staff purchasers can consider the Product Unselected, and stop purchasing it.

8.6 Rescoring

Members can request rescoring of any product at any point by communicating via the in-store suggestion box, by emailing product_requests@berryroadfood.coop, or by filling out the form on the Co-op's Product Requests website page. Staff Purchasers will re-Score the Product and inform the Member of the updated Score and any actions taken to reflect any changes in the Product Score.

8.7 Labeling

Where possible, noteworthy Product qualities, such as being local or recognized as organic, will be indicated on the shelf label. Products that have the best Score in their Price Point or product category may have an indication on their shelf label. The Co-op will maintain a Product list with Scores available for inspection by Members.

9 Product Requests

Members can request that a Product be considered for selection by communicating the request via the in-store suggestion box, by emailing product_requests@berryroadfood.coop, or by filling out the form on the Co-op's Product Requests website page. If the Member includes contact information, they will be kept informed of the disposition of the request. If a requested Product meets the Selection criteria staff purchasers will Select it for purchasing in addition to existing Products in the same category, and may at their discretion choose to consider for Unselection another Product in that category. Requests for Products that were Unselected within the last 12 months will not be granted without a Shelving Exception because the Revenue component of the Unselection process already indicates that the Product is not strongly popular with Members.

The Co-op will report Product Requests and their dispositions regularly in the Member newsletter and by posting them on the Co-op's Message Boards.

10 Shelving Exceptions

10.1 Shelving Exception Request

If a Member makes a Product Request which is denied, and if the Product has not been the subject of a Shelving Discussion within the last 12 months, the Member may choose to make a Shelving Exception Request by communicating via the in-store suggestion box, by emailing shelving_exceptions@berryroadfood.coop, or by filling out the form on the Co-op's Shelving Exceptions website page. The Shelving Exception Request should clearly indicate what reason the Member believes should justify the Shelving Exception. Any reason is valid; however, in the subsequent Shelving Discussion, alignment of the reason with the Co-op's values will be assessed. Members who have previously made a Shelving Exception Request for a particular Product, or have previously participated in a Shelving



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Discussion for a particular Product may not make a subsequent Shelving Exception Request for that Product. However they may encourage another Member who is willing to support the Product to make a subsequent Shelving Exception Request.

10.2 Shelving Discussions

Once a Shelving Exception Request has been made, the requested Product will be re-Scored, and a Shelving Discussion will be created on the Co-op's website. The Shelving Discussion will include information about the Product, its Score, the requested reason for the Shelving Exception, discussion about alignment of that reason with the Co-op's values, input and comments from staff purchasers, and a picture of the Product. Members may participate in the Shelving Discussion by commenting directly on the website, via physical notes deposited in the in-store suggestion box, or by sending relevant comments by email to shelving_exceptions@berryroadfood.coop. Discussion participation may be anonymous, but is only open to Co-op Members.

Member comments must indicate whether they are in favour of or opposition to the Shelving Exception. Ambiguous comments that can't be clarified by communication with the Member may be removed from the Shelving Discussion by the Purchasing Committee or its delegate.

The purpose of a Shelving Discussion is to generate and focus Member input about the Product under consideration. It is important to gather as much input as possible before making a decision on behalf of the Membership.

10.3 Shelving Discussion Status

A Shelving Discussion is initially open, and will eventually be closed or decided as indicated below.

10.4 Shelving Discussion Notification

The Co-op will report on open, closed, and decided Shelving Discussions in its newsletter and by posting on the Co-op's Message Boards.

10.5 Closing a Shelving Discussion

If an open Shelving Discussion is reported in two subsequent newsletters, but has not received comments from five or more Members (including the Member who made the original request) within fourteen days of the second notice, thereby indicating that there is not broad Membership interest in the Product, it can be considered closed. Members will be notified of the closure and the Shelving Exception will be denied. Closed Shelving Discussions will be kept on record, and will be included in any future Shelving Discussions arising from future Shelving Exception Requests for the same Product.

10.6 Deciding a Shelving Discussion

It is important to gather as much Member input as possible, so Shelving Discussions are designed to encourage a minimum level of input, and to stay open as long as Members are still providing input. Shelving Discussions that receive comments from five or more Members will remain open until they are decided. A Shelving Discussion is not decided until at least ten Members have commented, until fewer than five Members have added new comments within fourteen days of the last notice of the discussion, and until three-fifths of the comments are either in favour of the Shelving Exception or oppose it. The Shelving Exception will be granted or denied by the Purchasing Committee at an open meeting. The Purchasing Committee will give strong weight to the decision of the Shelving Discussion but will also consider other factors from the Finance Committee and staff purchasers.



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11 Income Accessible Products

11.1 Basic Basket

The Basic Basket is a list of foods and household products that are deemed to be staples necessary for a single-family home. The list of Basic Basket items will be available on the Co-op's Message Boards, and on its website.

11.2 Adding Items to the Basic Basket

The Purchasing Committee may add items to the Basic Basket at any time. Members may also request the addition of a food or household product to the Basic Basket by making a Product Request for the item. Once eleven Members have requested the addition of the food or household product the Purchasing Committee will consider including it in the Basic Basket at an open meeting. The Purchasing Committee will give strong weight to the Member requests, but will also consider other factors from the Finance Committee and staff purchasers. Product Requests for additions to the Basic Basket are requests for a food or household product type, not for a specific brand.

11.3 Removing Items from the Basic Basket

Staff purchasers may advise the Purchasing Committee that certain Basic Basket items should be considered for removal. Items being considered for removal from the Basic Basket will be reported in the Co-op's newsletter and posted on the Co-op's Message Boards. One month after reporting the potential removal, if Members have not indicated support for the item by making Product Requests, staff purchasers can advise to the Purchasing Committee that the item be removed from the Basic Basket.

11.4 Income Accessible Products

For each item in the Basic Basket, staff purchasers will seek for and Score Products that can be sold at a price that is within 15% of the regular price of a similar product at local discount grocery stores. The best scoring Product that meets these criteria will be Selected and purchased.

11.5 Multiple Products for one Basic Basket Item

Staff purchasers may at their discretion choose to Select and purchase more than one Income Accessible Product for an individual item in the Basic Basket. However, the decision to do so must be based on Revenue considerations, and additional Products must be the next best scoring options available.

11.6 Margin Trading

Staff purchasers are encouraged to engage with suppliers and enter into margin trading arrangements, whereby the Co-op's cost for potential Income Accessible Products can be somewhat reduced in exchange for an agreement to pay slightly more for more expensive Products that the Co-op has Selected and that can be provided by the same supplier. Margin trading arrangements must be assessed semi-annually to ensure that they remain close to Revenue-neutral for the Co-op.

11.7 Internal Margin Trading

Usually the Margin for Products is set on a per-department level with the input of the Finance Committee. However, the Co-op may practice internal margin trading if there is no other available option for providing an Income Accessible Product. Internal margin trading is accomplished by decreasing the Margin on a proposed Income Accessible Product and correspondingly increasing the Margin for other Products in the same department. Whether the increased Margins are applied universally to the entire rest of the department or are



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strategically applied to specific Products can be determined by staff purchasers with Finance Committee oversight. Internal margin trading arrangements must be reviewed semi-annually by the Finance Committee to ensure that they remain close to Revenue-neutral for the Co-op.

12 Initial Product

12.1 Prior to Co-op Opening

This Policy has been drafted with the input of the Co-op's inaugural Purchasing Committee. While Selecting Products for stocking on the Co-op's shelves on opening day, the Committee will be guided as much as possible by this Policy. However time and resources may not allow as detailed an analysis of all initial Products as the Co-op would like.

12.2 Post-Opening Product Review

After the Co-op opens, the Purchasing Committee, with the support of the staff purchasers, will conduct a complete review of all Products to ensure that our purchasing decisions are fully conformant with this Policy. The review will proceed as quickly as time and resources permit. The Purchasing Committee will make quarterly reports to the Board of Directors on progress of the Product review until it has been completed. Products for which Members have requested a Rescoring will be reviewed first.

13 Purchasing Policy Updates

13.1 Annual Review

This Policy will be reviewed at least annually by the Purchasing Committee at an open meeting where Members may participate in the discussion.

13.2 Clarification

When Members see a contradiction between Co-op practice and this Policy they are invited to contact the Purchasing Committee to seek clarification. In cases where this Policy needs to be updated or amended, any Member may propose appropriate edits for consideration by the Purchasing Committee and provide them by submitting to the in-store suggestion box or email them to purchasing_cmtee@berryroadfood.coop.

13.3 Amendment

Proposed amendments to this Policy may only be considered at an open meeting of the Purchasing Committee for which notice has been advertised at least two weeks in advance in the Co-op Newsletter, on the Co-op's website, and by posting on the Co-op's Message Boards. The proposed amendments must be included in the notice. After hearing Member input at the open meeting the Purchasing Committee will decide if the proposed amendments should be recommended to the Board for approval.

13.4 Availability

This Policy as amended will be available on the Co-op's website and in hard copy in the store.